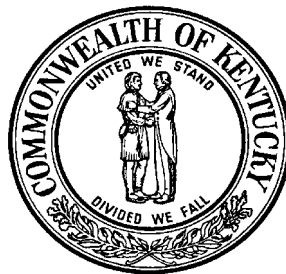


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE GRANT COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2001
Through November 20, 2002**



**EDWARD B. HATCHETT, JR.
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CONTENTS

PAGE

AGREED-UPON PROCEDURES REPORT.....	1
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EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

Dana Mayton, Secretary, Revenue Cabinet
Honorable Phyllis Beach
Grant County Property Valuation Administrator
Williamstown, Kentucky 41097

Independent Accountant's Report

We have performed the procedures enumerated below, which were agreed to by the Grant County Property Valuation Administrator, solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2001 through November 20, 2002. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Grant County Property Valuation Administrator. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the Property Valuation Administrator has a receipt ledger, a disbursement ledger, and reconciles bank records to books each month.

Finding -

The Property Valuation Administrator has a receipt ledger, a disbursement ledger, and reconciles bank records to books each month.

Client Response -

None.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts appear to agree to confirmed payment amounts from city governments. The list of city receipts appears to be complete.

Client Response -

None.



Dana Mayton, Secretary, Revenue Cabinet
Honorable Phyllis Beach
Grant County Property Valuation Administrator
(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Revenue Cabinet. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the Property Valuation Administrator's local bank account.

Finding -

For FYE June 30, 2002, the correct amount was paid. However, it was not paid quarterly as per statute - the entire amount was sent directly to the Kentucky State Treasurer in July 2001, with the remaining balance paid to the PVA in January 2002. No payments have been paid for FYE June 30, 2003. The first payment was due on or before September 1, 2002, and the second payment is due on or before December 1, 2002. We recommend that the PVA request the fiscal court to pay the remainder of the county appropriation as computed by the Revenue Cabinet to the office of the Property Valuation Administrator on a quarterly basis. Four equal payments should be made on or before September 1, December 1, March 1, and June 1 respectively.

Client Response -

Will note to fiscal court recommends four equal payments.

4. Procedure -

Select a sample of disbursements from available Property Valuation Administrator's records and agree amounts to cancelled checks, paid invoices, or other supporting documentation. Determine if the expenditure is for official business.

Finding -

A sample of disbursements were tested with the following results:

- a) For one invoice tested, there was no invoice available. It was for two classes, so the expense appears to be for legitimate business. Please be careful to have documentation for every disbursement.
- b) Auditor noted some sales taxes paid on receipts from Wal-Mart and Radio Shack. Please be careful to use your sales tax exemption number on every purchase.
- c) Check imaging is provided by the PVA's bank - but for only the front of the check. We would recommend that you request your bank to provide imaging for both sides of your checks.
- d) Auditor noted that all invoices were not marked paid. Please be careful to mark invoice paid as such so that there will be no duplicate payments.

Client Response -

Take into consideration per suggestions.

Dana Mayton, Secretary, Revenue Cabinet
Honorable Phyllis Beach
Grant County Property Valuation Administrator
(Continued)

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets.

Finding -

There were only two capital outlay expenditures for the period, and they appeared to be handled properly.

Client Response -

None.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

A maintenance contract for computers and printer appears proper. There are no vehicle lease agreements or personal service contracts.

Client Response -

None.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Property Valuation Administrator and the Revenue Cabinet and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Engagement fieldwork completed -
November 20, 2002